Code of Conduct for business partners

Ørsted’s vision is to create a world that runs entirely on green energy. We are active across different renewable energy platforms, varying geographies, and communities to develop the world’s future energy system. Our business partners play a vital role in our ability to deliver on our vision and provide value to our stakeholders. We conduct our business with integrity as one of our core values, and this is reflected in our commitment to operating in a sustainable and ethical manner. We have developed this Code of Conduct for business partners to outline the environmental, social, and ethical requirements we expect our business partners to comply with. We look forward to you committing to these requirements and endeavouring to meet our high sustainability standards in our work together.

Mads Nipper, CEO, Ørsted

Advancing sustainable business partnerships

Ørsted’s Code of Conduct for business partners (hereinafter ‘the Code of Conduct’) describes the standards we commit to and wish to promote with our business partners. Ørsted respects the planet, individuals, and the community at large, and we require our business partners to act in a socially, ethically, and environmentally responsible manner, thus creating stable, long-term business relationships with Ørsted as well as society at large.

The Code of Conduct is an integral part of our agreements with our business partners.

For the purposes of this Code of Conduct, Ørsted’s business partners are our suppliers, joint venture partners, counterparties in mergers and acquisitions, and, where context permits and where applicable, also customers and trading counterparties. The Code of Conduct is applicable to all workers employed by our business partners, including, but not limited to, full-time, part-time, migrant, and contracted workers, and anyone acting on behalf of our business partners.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to define our requirements and aspirations for our business partners. Requirements are the minimum standards which our business partners should respect and comply with to continue doing business with Ørsted.

Aspirations are Ørsted’s guidelines/recommendations beyond minimum compliance requirements to assist our business partners in improving their sustainability performance.

We abide by all applicable national and international laws, regulations, and standards stated in the Code of Conduct and expect our business partners to comply with such applicable laws, regulations, and standards. If a conflict occurs between any applicable law, regulation, standard, and the Code of Conduct, we expect business partners to apply the highest standard.

Key standards and conventions we adhere to:

• United Nations Guiding Principles on Business and Human Rights
• The International Bill of Human Rights
• International Labour Organization Conventions
• OECD Due Diligence Guidance
• The Ten Principles of the UN Global Compact
• Maritime Labour Convention
• US Foreign Corrupt Practices Act
• UK Bribery Act
• IFC Performance Standards
• Equator Principles 4
• Other relevant host country laws, regulations, and permits

The requirements set out in the Code of Conduct reflect the above standards and conventions. For the full list of standards that Ørsted commits to, please refer to: https://orsted.com/en/about-us/suppliers/responsible-business-partner-program
Approach to due diligence and requirement to collaborate

In Ørsted, we take a risk-based approach to due diligence. We recognise that our business partners may be at different maturity levels with regard to the expectations set out in our Code of Conduct, and hence acknowledge that the transition can take time. Further, it should be noted that some aspects of the Code of Conduct may not be relevant to all our business partners, depending on their products and services, or the industry in which they operate, and any measures taken must be appropriate to their sector and size. However, if by intention or repeated negligence, business partners fail to comply with the requirements stated in the Code of Conduct, or if the business partner continually refuses to engage in due diligence activities or lacks commitment to make progress on issues identified during an assessment, Ørsted reserves the right to pursue a termination of the business relationship.

We expect our business partners to work with us with a collaborative mindset and focus on continuous improvements. Our business partners must cooperate with Ørsted in connection with the performance of risk/impact assessments, inspections, monitoring, reporting, stakeholder engagement and grievance mechanisms, and they must implement steps to mitigate any risks identified. They should apply appropriate policy, procedure, management system and due diligence measures in their own operations and cascade the requirements of the Code of Conduct in their supply chain. Our business partners must supervise their contractors’ and sub-contractors’ adherence to the Code of Conduct as well as their compliance with applicable national laws.

Human rights and labour rights

All our business partners are obliged to demonstrate respect for workers’ rights and cultures and ensure compliance with national laws and international labour and human rights standards through the implementation of their management systems. We expect our business partners to set standards within their organisation that protect workers, ensure a safe and healthy workplace, provide relevant training opportunities for workers to enhance their abilities and skills to perform their daily work and ensure they are treated with respect and equality.

Employment standards

Our business partners’ working environment should accommodate workers’ right to exercise official duties and support the physical and mental well-being of all workers. We expect our business partners to avoid and address any adverse impacts on human and labour rights. Ørsted is committed to promoting a safe, diverse, and inclusive workplace. Ørsted shows zero tolerance towards child labour and all forms of forced labour.

Requirements

Child labour and young workers: Ensure that no work is carried out by children below the age of 15 years (14 years if applicable due to economy and educational facilities being insufficiently developed). Young workers between the age of 15 (or 14) and 18 years are not to be exposed to any hazardous work or work which interferes with their health and schooling needs. Ensure regular monitoring of health, working conditions, and hours of work when employing young workers. Business partners must verify the age of workers before employment commences, keep letters of consent (if applicable), and establish their working hours in line with national laws.

Working hours: Ensure that normal working hours, meal breaks, rest periods, overtime, leave, maternity and paternity leave, and compassionate leave are in accordance with industry standards, applicable laws and regulations (e.g. Maritime Labour Convention) in the country of operation as well as any applicable collective bargaining agreements. Workers must not be routinely requested to work overtime. Workers should be prevented from working more than 60 hours (including overtime) during any seven-day period and should be entitled to rest days and compensatory leave in accordance with industry standards, applicable laws, and regulations in the country of operation as well as any collective bargaining agreements.
Worker freedom: Allow workers to move freely during their employment and terminate their employment subject to reasonable notice periods without incurring unreasonable or unlawful penalties. Business partners are not to retain any original identity documents, or financial guarantees issued by workers in favour of the business partner. All forms of forced, bonded, indentured, and trafficked labour and involuntary prison labour are prohibited. Conduct risk mapping and due diligence activities aimed at eliminating any form of human trafficking or modern slavery in the supply chain. Prevent any form of wrongful or arbitrary dismissals or any actions that unfairly hamper career advancement.

Hiring practices: All workers are to be provided with a written contract in a language they understand. Information relating to workers’ contract provisions should be provided to candidates during hiring, and knowledge on labour rights is to be reinforced on an ongoing basis. Workers are not to be charged any fees related to recruitment or employment. In the event such payments have been made, they should be refunded.

Freedom of association and collective bargaining: Workers are to have the freedom to exercise the right to form or participate in work-related organisations and unions, and in collective bargaining without fear of discrimination or harassment. Business partners are to engage in dialogue with workers and their organisations (where applicable) in accordance with industry standards, applicable laws, and regulations in the country of operation and any applicable collective bargaining agreements and conduct such dialogues in good faith.

Wages and benefits: Pay workers’ wages and benefits in accordance with industry standards, applicable laws, and regulations in the country of operation and/or any applicable collective bargaining agreements. Payment must include wages, overtime (if applicable), and paid leave. The wages/pay structure must allow workers to cover their essential needs, including some discretionary income for themselves and their dependents. Wages are required to be paid directly to the worker and preferably on a predefined day. A payslip must be issued at the end of every pay period specifying the rate of compensation, benefits, and legitimate deductions.

Discrimination and harassment: Treat all workers with dignity, support diversity, and never subject workers to physical, sexual, or psychological abuse, harassment, or intimidation. Employment, promotion, or redundancy decisions are to be based on inherent characteristics related to job requirements and needs, rather than personal characteristics. There should be zero tolerance of any form of discrimination, including, but not limited to discrimination based on race, ethnicity, age, gender, disability, sexual orientation, religion, nationality, or political views.

Security arrangements: Safeguard personnel in accordance with the Voluntary Principles on Security and Human Rights or similar principles and protect rights defenders, interested parties, and assets. If business partners intend to use private security providers, ensure such providers are signatories of the International Code of Conduct for Private Security Service Providers or similar codes.

Health and safety: Provide workers with a safe and healthy working environment, taking into account inherent risks in the relevant sector and specific classes of hazards in places where the work is carried out, including but not limited to physical, chemical, biological, and radiological hazards. Take steps to identify risks and prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work, by minimising, so far as reasonably practicable, the causes of hazards by implementing safety programmes and training practices. If accommodation or transportation is provided to workers, meet the IFC Workers’ Accommodation standard and national laws and regulations on accommodation and transportation.

Aspirations

- Review wages paid to workers against measures such as living wage, poverty line and/or the cost of living.
- Provide training to relevant workers, particularly workers’ representatives, on topics such as communication, leadership, diversity, and inclusion, etc.
- Ensure that regular working hours do not exceed 48 hours on a weekly basis and 12 hours of overtime per week.
- Assess gender pay gap and achieve gender balance in the workforce.
- Record and publish performance data on health and safety parameters.
Stakeholder interaction

Ongoing engagement with stakeholders is important for our business. Ørsted is committed to being a trusted partner of the communities in which we operate, and we expect the same from our business partners. We strive to maintain good relationships with our host communities at all stages of project development, execution, and operations and, to the extent allowed by applicable laws, promote local businesses and support initiatives that have a positive impact on the communities and society.

Requirements

Local community: Collaborate actively with Ørsted to engage with, consult, and be responsive to, potentially affected local stakeholders, including indigenous peoples, frontline communities, women, people with disabilities, vulnerable groups, and other minorities, in a structured, culturally appropriate manner, and in a language of the communities’ preference. Avoid causing, or contributing to, negative impacts on their culture, cultural heritage, environment, health, education, livelihood, or general standard of living.

Property rights: Respect the land rights of legitimate rights holders and legacy holders. Avoid anyone’s unnecessary loss of livelihoods or property and ensure a just reimbursement and/or relocation when such loss is deemed unavoidable and necessary pursuant to applicable laws.

Rights defenders: Ensure protection of environmental human rights defenders and other interested parties who exercise their legal right to freedom of speech.

Free, prior, and informed consent: Establish participation and meaningful consultation with indigenous peoples where projects are affecting or using the customary, ancestral, and collective lands, territories, and resources of indigenous peoples.

Grievance mechanism: Establish mechanisms accessible to all workers, rights holders, and stakeholders, providing for safe and confidential reporting of any concerns related to the scope of the Code of Conduct without fear of retaliation. Do not impede workers’ and stakeholders’ access to other judicial/governmental grievance mechanisms. Mitigative actions should be taken to redress any negative impacts in a timely manner. Put in place adequate disciplinary policies and procedures to address non-compliances. Any disciplinary actions are to exclude any form of corporal punishment or the use of monetary fines and are to be recorded and served to any affected worker, preferably in writing.

Aspirations

• Pursue solutions that maximise opportunities for local communities, including women, people with disabilities and vulnerable groups.
• Maximise job and tender opportunities for local communities and engage in corporate social responsibility activities.
• Improve living standards and livelihoods of those affected by relocation or other land-related impacts.
Environment

It is the responsibility of our business partners to protect the environment in which they operate. At Ørsted, we are committed to fighting climate change and operating at the highest level of sustainability. We expect our business partners to take all necessary measures to protect the environment, use natural resources intelligently, and limit damage and nuisance to people, property, and nature throughout their operations and their own supply chains.

Environmental management

Environmental management includes reducing the environmental impacts of operations and creating a positive economic, social, and ecological system through continuous improvements to develop a sustainable business. It entails maintaining relevant business licences to operate and ensuring adherence to international and local standards of environmental laws. It also includes implementation of relevant management systems to record environmental impacts and performance.

Requirements

Permits: Obtain and maintain all required, permits, licences, and registrations requisite for ongoing business operations.

Hazardous materials and emissions: Manage and disclose the use of hazardous materials in own operations and find environmentally friendly substitutes when feasible. Establish control mechanisms for preventing pollution from hazardous substances, waste and effluents, and air emissions.

Biodiversity: Protect and enhance nature and biodiversity and promote the sustainable and efficient use of natural resources and energy.

Waste management: Reduce any waste caused by own operations and reuse or recycle whatever is technically feasible.

Emergency response: Provide access to emergency response, in case of any environmental emergency, fire, or abnormal emission and dispersion.

Minerals, metals, and dual use: Follow OECD’s due diligence requirements with respect to the sourcing, extraction, and handling of minerals and metals used in the supply chain. Document and disclose the use of any dual-use components or conflict minerals and metals subject to any applicable legal requirements.

Aspirations

• Measure and monitor greenhouse gas (GHG) emissions. Set targets to reduce GHG emissions in line with the Paris Agreement
Business ethics

When working in a challenging and competitive environment, it is imperative that our business partners uphold the highest standards of integrity, operate with honesty and in accordance with international and national regulations, and abide by sanctions.

Anti-bribery, corruption, and inappropriate business conduct

Business partners should engage in responsible and appropriate behaviour and implement measures to eliminate and avoid unethical behaviour. Ørsted has zero tolerance towards corrupt, fraudulent, collusive, or coercive practices and other forms of inappropriate or unfair business practices by our business partners.

Requirements

Anti-bribery and corruption: Do not engage in activities, directly or indirectly, related to corrupt, fraudulent, collusive, or coercive practices. Prevent any form of receipt or payment, gifts, and/or hospitality for the purpose of obtaining or retaining business or any form of preferential treatment or advantage. Implement a legal compliance programme which, among other things, must include the performance of due diligence prior to entering into relationships with new business partners.

Conflict of interest: Do not engage in situations of actual or potential conflict of interest related to any business, financial, or private benefit.

Books and records: Maintain adequate documentation of all transactions to ensure transparent record keeping.

Fair competition: Commit to undistorted competition in accordance with any applicable laws and refrain from any anti-competitive conduct or other illegal market behaviour or manipulation.

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Contact us

Please address any questions regarding the interpretation of this Code of Conduct to responsiblepartners@orsted.com.